

**Table 4.4**  
**Schools and Libraries Fund Cumulative Disbursements by Service Provider Type**  
**Fund Year 2007: July 1, 2007 through June 30, 2008**

Service Provider Type	Service Provider sent bill to USAC using FCC Form 474	Schools and Libraries sent bill to USAC using FCC Form 472	Total Payments
Cellular Carriers	\$24,084,314	\$57,049,394	\$81,133,708
Competitive Access Providers	117,241,587	88,547,992	205,789,580
Interexchange Carriers	27,154,201	29,271,149	56,425,351
Internet Service Providers	77,436,795	25,918,293	103,355,088
Local Exchange Carriers	250,408,297	349,247,072	599,655,370
Local Resellers	106,419,546	17,317,221	123,736,767
Non-telecommunications Providers	256,491,150	50,685,387	307,176,537
Other Local Carriers	27,953,984	20,074,994	48,028,978
Other Mobile Carriers	0	854	854
Other Toll Carriers	77,145	276,301	353,446
Paging Carriers	225,404	946,002	1,171,406
Payphone providers	0	44,010	44,010
Private Line Providers	17,205,716	6,232,227	23,437,943
Satellite Providers	2,217,673	607,820	2,825,494
Shared Tenant Providers	26,800,734	2,415,931	29,216,665
Specialized Mobile Radio Providers	1,261,424	994,963	2,256,387
Toll Resellers	12,889,760	13,243,590	26,133,350
Wireless Data Providers	48,062,736	7,145,918	55,208,653
Not Specified	52,892	0	52,892
<b>Total All Types</b>	<b>\$995,983,358</b>	<b>\$670,019,119</b>	<b>\$1,666,002,478</b>

Note: Funds disbursed through June 30, 2009. Because of the appeals process, funding commitments and disbursements have been made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

Source: Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Fourth Quarter 2009*, Appendix SL18.

**Table 4.4**  
**Schools and Libraries Fund Disbursements by Service Provider Type**  
**Fund Year 2009: July 1, 2008 through June 30, 2009**

Service Provider Type	Service Provider sent bill to USAC using FCC Form 474	Schools and Libraries sent bill to USAC using FCC Form 472	Total Payments
Cellular Carriers	\$20,609,860	\$11,988,154	\$32,598,014
Competitive Access Providers	89,560,659	26,480,594	116,041,252
Interexchange Carriers	63,006,673	6,541,009	69,547,682
Internet Service Providers	23,154,244	6,340,597	29,494,842
Local Exchange Carriers	127,741,130	91,405,692	219,146,823
Local Resellers	41,133,803	3,141,319	44,275,122
Non-telecommunications Providers	85,448,516	11,019,473	96,467,989
Other Local Carriers	19,133,139	3,959,670	23,092,809
Other Mobile Carriers	0	576	576
Other Toll Carriers	153,999	23,833	177,832
Paging Carriers	230,451	188,465	418,915
Payphone providers	23,331	0	23,331
Private Line Providers	13,070,919	832,427	13,903,345
Satellite Providers	679,874	63,502	743,376
Shared Tenant Providers	8,123,722	50,083	8,173,805
Specialized Mobile Radio Providers	1,208,134	187,300	1,395,434
Toll Resellers	11,001,690	2,655,504	13,657,194
Wireless Data Carriers	25,540,453	1,617,381	27,157,834
Not Specified	0	1,017	1,017
<b>Total All Types</b>	<b>\$529,820,596</b>	<b>\$166,496,596</b>	<b>\$696,317,192</b>

Note: Funds disbursed through June 30, 2009. Because of the appeals process, funding commitments and disbursements have been made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

Source: Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Fourth Quarter 2009*, Appendix SL21.

**Table 4.5**  
**Schools and Libraries Funding Commitments and Disbursements per Student by State**

*Funding Year 2006: July 1, 2006 through June 30, 2007*

State/Territory	Students in Public Schools <sup>1</sup>	Funds Committed	Funds Committed per Student	Funds Disbursed	Funds Disbursed per Student	Unused Funding Commitments	Unused Commitments per Student
Alabama	743,832	\$41,908,025	\$56.35	\$37,182,500	\$50.00	\$4,723,524	\$6.35
Alaska	132,608	18,564,033	139.99	18,567,404	124.94	1,996,629	15.06
American Samoa	18,400	1,832,498	117.84	1,749,217	106.68	183,281	11.18
Arizona	1,068,249	60,099,853	56.26	44,236,960	41.41	15,862,872	14.85
Arkansas	476,408	22,942,913	48.16	14,614,890	30.68	8,328,023	17.48
California	6,406,750	250,718,361	39.13	197,085,679	30.76	53,632,682	8.37
Colorado	794,026	19,519,303	24.58	15,298,466	19.27	4,220,837	5.32
Connecticut	575,100	21,726,651	37.78	17,578,396	30.57	4,147,255	7.21
Delaware	122,254	794,933	6.42	714,622	5.85	70,311	0.58
District of Columbia	72,850	25,579,689	351.13	5,254,671	72.13	20,325,018	279.00
Florida	2,671,513	69,659,111	26.07	59,907,962	22.42	9,751,149	3.65
Georgia	1,629,157	58,374,517	35.83	50,639,966	31.06	7,734,551	4.75
Guam	30,966	1,035,317	33.41	1,019,342	32.90	15,974	0.52
Hawaii	180,728	3,434,330	19.00	2,156,881	11.93	1,277,439	7.07
Idaho	267,380	4,047,213	15.14	3,203,514	11.88	843,699	3.18
Illinois	2,118,276	93,398,349	44.09	67,952,413	32.08	25,445,936	12.01
Indiana	1,045,940	28,479,591	27.23	22,387,205	21.40	6,092,385	5.82
Iowa	483,122	11,427,045	23.65	9,796,790	20.28	1,630,255	3.37
Kansas	469,506	15,414,493	32.83	12,886,521	27.45	2,527,973	5.38
Kentucky	683,152	26,585,464	38.92	17,100,517	25.03	9,484,946	13.88
Louisiana	675,851	72,167,692	106.78	55,760,888	82.50	16,406,804	24.28
Maine	193,986	7,260,202	37.43	5,853,821	30.69	1,306,381	6.73
Maryland	851,640	18,082,214	18.88	12,170,913	14.29	3,911,301	4.59
Massachusetts	968,661	27,685,751	28.56	22,490,934	23.22	5,194,817	5.36
Michigan	1,722,656	44,826,556	26.02	34,384,743	19.96	10,441,813	6.06
Minnesota	840,565	21,287,887	25.33	17,539,984	20.87	3,747,903	4.46
Mississippi	495,026	36,866,870	74.52	27,399,315	55.35	9,467,555	19.17
Missouri	920,353	29,306,490	31.84	17,980,341	19.54	11,326,149	12.31
Montana	144,418	3,517,340	24.36	2,982,726	20.65	534,614	3.70
Nebraska	287,580	8,809,104	30.63	7,727,261	26.87	1,081,843	3.78
Nevada	424,766	5,289,947	12.45	5,070,247	11.94	219,700	0.52
New Hampshire	203,572	2,292,439	11.26	1,691,171	8.31	601,268	2.95
New Jersey	1,388,850	43,115,959	31.04	34,497,773	24.84	8,618,185	6.21
New Mexico	328,220	31,801,874	96.89	21,353,862	65.06	10,447,992	31.83
New York	2,809,649	187,871,704	66.87	130,396,755	46.41	57,474,949	20.46
North Carolina	1,444,481	53,569,447	37.09	43,673,861	30.23	9,895,586	6.85
North Dakota	96,670	4,878,843	50.48	4,443,637	45.97	436,206	4.51
Northern Mariana Is.	11,895	1,082,545	92.56	871,033	74.48	211,512	18.09
Ohio	1,836,722	78,518,792	41.66	56,589,940	31.90	17,928,852	9.78
Oklahoma	639,391	37,002,205	57.87	30,805,715	48.18	6,196,490	9.89
Oregon	562,574	14,334,562	25.48	11,738,614	20.87	2,595,948	4.61
Pennsylvania	1,871,060	59,293,603	31.69	48,887,545	26.13	10,406,058	5.56
Puerto Rico	544,138	7,340,713	13.49	3,843,943	7.06	3,496,770	6.43
Rhode Island	151,812	4,871,076	32.13	4,429,265	29.21	441,810	2.91
South Carolina	708,021	41,300,387	58.33	28,497,633	40.25	12,802,754	18.08
South Dakota	121,158	7,649,536	63.14	6,595,737	54.44	1,053,799	8.70
Tennessee	978,368	54,540,171	55.75	43,415,178	44.38	11,124,993	11.37
Texas	4,599,509	180,228,855	39.18	143,703,423	31.24	36,523,432	7.94
Utah	523,386	18,914,049	32.32	12,711,982	24.28	4,202,067	8.03
Vermont	95,399	1,662,527	17.43	1,271,441	13.33	391,087	4.10
Virgin Islands	16,284	4,717,597	289.71	3,370,411	206.96	1,347,186	82.73
Virginia	1,220,440	33,248,197	27.24	27,976,094	22.92	5,272,103	4.32
Washington	1,028,774	20,502,845	19.97	16,430,787	16.00	4,072,058	3.97
West Virginia	281,939	10,592,591	37.57	8,482,590	30.09	2,110,001	7.48
Wisconsin	876,700	24,344,477	27.77	19,434,060	22.17	4,910,417	5.60
Wyoming	85,193	3,986,983	46.80	3,091,673	36.29	895,310	10.51
<b>Totals</b>	<b>49,935,345</b>	<b>\$1,972,410,718</b>	<b>\$39.50</b>	<b>\$1,517,000,264</b>	<b>\$30.38</b>	<b>\$455,410,454</b>	<b>\$9.12</b>

Source: Raw funding data provided by the Universal Service Administrative Company, rollups performed by Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

Activity through June 30, 2009. Because of the appeals process, funding commitments and disbursements can be made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

<sup>1</sup> Estimate of the students enrolled in fall of 2006. Although private schools are eligible for funding, state-by-state enrollment data were not available. Figures do not include any students in Defense Department or Bureau of Indian Affairs schools. Data from the U.S. Department of Education at [nces.ed.gov/ipeds/data/](http://nces.ed.gov/ipeds/data/).

**Table 4.5**  
**Schools and Libraries Funding Commitments and Disbursements per Student by State**

*Funding Year 2007: July 1, 2007 through June 30, 2008*

State/Territory	Students in Public Schools <sup>1</sup>	Funds Committed	Funds Committed per Student	Funds Disbursed	Funds Disbursed per Student	Unused Funding Commitments	Unused Commitments per Student
Alabama	743,632	\$41,724,860	\$56.11	\$36,318,104	\$48.84	\$5,406,757	\$7.27
Alaska	132,608	21,881,670	165.01	19,630,225	148.03	2,251,445	16.98
American Samoa	16,400	777,240	47.39	700,458	42.71	76,782	4.68
Arizona	1,068,249	57,668,950	53.98	43,229,438	40.47	14,437,513	13.52
Arkansas	476,409	27,550,477	57.83	18,570,931	38.98	8,979,546	18.85
California	6,406,750	434,283,422	67.79	239,265,377	37.35	195,018,044	30.44
Colorado	794,026	18,989,943	23.92	16,092,062	20.27	2,897,881	3.65
Connecticut	575,100	28,879,120	50.22	23,425,806	40.73	5,453,514	9.48
Delaware	122,254	1,802,867	14.75	1,748,820	14.31	53,947	0.44
District of Columbia	72,850	12,874,212	178.72	6,967,899	95.65	5,906,313	81.07
Florida	2,671,513	98,333,959	36.81	83,314,047	31.19	15,019,912	5.62
Georgia	1,629,157	77,078,956	47.31	65,272,795	40.07	11,804,161	7.25
Guam	30,886	16,771	0.54	7,625	0.25	9,146	0.30
Hawaii	180,728	3,376,423	18.68	2,100,575	11.62	1,275,848	7.06
Idaho	267,380	5,738,023	21.48	4,551,512	17.02	1,186,511	4.44
Illinois	2,118,276	106,226,962	50.15	75,982,757	35.87	30,244,205	14.28
Indiana	1,045,940	36,612,867	35.00	27,131,551	25.94	9,481,316	9.06
Iowa	483,122	11,874,372	24.58	9,784,927	20.25	2,089,445	4.32
Kansas	469,506	19,183,963	40.86	16,539,985	35.23	2,643,977	5.63
Kentucky	683,152	32,083,973	46.98	26,446,673	38.71	5,637,300	8.25
Louisiana	675,851	48,298,804	68.50	35,478,682	52.49	10,820,122	16.01
Maine	193,986	8,159,353	42.06	6,823,015	35.17	1,336,338	6.89
Maryland	651,640	19,714,414	23.15	12,149,149	14.27	7,565,266	8.88
Massachusetts	968,661	28,838,007	29.77	24,018,611	24.80	4,819,396	4.98
Michigan	1,722,656	59,730,840	34.67	42,014,256	24.39	17,716,583	10.28
Minnesota	840,585	26,665,925	31.72	22,700,058	27.01	3,965,867	4.72
Mississippi	495,026	33,392,493	67.46	24,637,555	49.77	8,754,938	17.69
Missouri	920,353	25,238,140	27.42	18,808,882	20.22	6,828,479	7.20
Montana	144,418	4,083,323	28.14	3,505,193	24.27	558,130	3.88
Nebraska	287,580	8,641,017	33.52	8,298,244	28.66	1,342,773	4.67
Nevada	424,766	8,795,303	20.71	3,820,237	8.99	4,975,066	11.71
New Hampshire	203,572	2,430,887	11.94	1,820,889	8.94	609,998	3.00
New Jersey	1,388,850	50,342,503	36.25	38,914,475	28.02	11,428,028	8.23
New Mexico	328,220	38,795,377	118.20	29,476,877	89.81	9,318,500	28.39
New York	2,809,649	307,329,817	109.38	195,408,002	68.55	111,921,815	38.83
North Carolina	1,444,481	65,537,092	45.37	52,869,377	36.60	12,667,716	8.77
North Dakota	96,870	4,153,024	42.96	3,867,081	40.00	285,943	2.96
Northern Mariana Is.	11,895	1,041,729	89.07	951,734	81.38	89,995	7.70
Ohio	1,836,722	85,079,155	48.32	83,214,134	34.42	21,965,021	11.90
Oklahoma	639,391	48,574,821	75.97	38,781,522	60.65	9,793,299	15.32
Oregon	562,574	14,632,473	26.01	11,132,024	19.79	3,500,449	6.22
Pennsylvania	1,871,060	62,419,671	33.36	51,321,520	27.43	11,098,151	5.93
Puerto Rico	544,138	9,115,589	16.75	3,285,127	6.04	5,830,462	10.72
Rhode Island	151,812	5,902,392	38.93	5,116,179	33.75	786,213	5.19
South Carolina	708,021	37,011,415	52.27	30,425,473	42.97	6,585,942	9.30
South Dakota	121,158	6,553,628	54.09	4,747,482	39.18	1,806,145	14.91
Tennessee	978,368	47,182,147	48.23	39,114,227	39.98	8,067,920	8.25
Texas	4,599,509	219,818,092	47.75	140,508,857	30.55	79,109,435	17.20
Utah	523,386	16,681,044	35.85	14,420,124	27.55	4,240,920	6.10
Vermont	85,399	1,812,918	20.05	1,478,328	15.51	433,588	4.54
Virgin Islands	16,284	5,448,089	334.57	5,228,461	321.14	219,608	13.42
Virginia	1,220,440	30,409,565	24.92	27,135,245	22.23	3,274,320	2.68
Washington	1,026,774	29,404,303	28.64	23,938,785	23.32	5,464,519	5.32
West Virginia	281,939	10,512,045	37.28	8,818,959	31.27	1,695,086	6.01
Wisconsin	878,700	22,045,048	25.15	12,120,716	13.83	9,924,330	11.32
Wyoming	85,193	4,428,422	51.98	2,936,181	34.47	1,492,241	17.52
<b>Totals</b>	<b>49,935,345</b>	<b>\$2,436,033,877</b>	<b>\$48.78</b>	<b>\$1,726,168,711</b>	<b>\$34.57</b>	<b>\$709,865,166</b>	<b>\$14.22</b>

Source: Raw funding data provided by the Universal Service Administrative Company, rollups performed by Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

Activity through June 30, 2009. Because of the appeals process, funding commitments and disbursements can be made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

<sup>1</sup> The number of students for the 2007 - 2008 school year was not available at the cutoff date for this report, so the number from the 2008 - 2007 school year was used.

**Table 4.6**  
**Commitments per Student**  
**Activity through July 10, 2009**

Service Type	Funding Year 2005 Commitments		Funding Year 2006 Commitments		Funding Year 2007 Commitments		Funding Year 2008 Commitments	
	(Millions)	Per Student <sup>1</sup>	(Millions)	Per Student <sup>2</sup>	(Millions)	Per Student <sup>3</sup>	(Millions)	Per Student <sup>4</sup>
Internal Connections	\$882	\$17.74	\$613	\$12.28	\$959	\$19.21	\$733	\$14.68
Internet Access	\$284	\$5.31	\$290	\$5.82	\$309	\$6.19	\$332	\$6.65
Telecommunications	\$979	\$19.68	\$1,069	\$21.40	\$1,168	\$23.38	\$1,270	\$25.43
Total	\$2,126	\$42.72	\$1,972	\$39.50	\$2,436	\$48.78	\$2,335	\$46.76

**Table 4.7**  
**Disbursements per Student**  
**Activity through July 10, 2009**

Service Type	Funding Year 2005 Disbursements		Funding Year 2006 Disbursements		Funding Year 2007 Disbursements		Funding Year 2008 Disbursements	
	(Millions)	Per Student <sup>1</sup>	(Millions)	Per Student <sup>2</sup>	(Millions)	Per Student <sup>3</sup>	(Millions)	Per Student <sup>4</sup>
Internal Connections	\$596	\$11.98	\$445	\$8.91	\$576	\$11.54	\$245	\$4.90
Internet Access	\$213	\$4.28	\$234	\$4.68	\$252	\$5.04	\$201	\$4.03
Telecommunications	\$760	\$15.27	\$838	\$16.79	\$898	\$17.99	\$823	\$12.47
Total	\$1,569	\$31.54	\$1,517	\$30.38	\$1,726	\$34.57	\$1,068	\$21.39

Note: Data will be revised as further disbursements occur.

<sup>1</sup> Estimation of the number of students enrolled in the fall of the 2005 - 2006 school year (including territories) was 49.753 million.

Source: U.S. Department of Education at [nces.ed.gov/ipeds/data](http://nces.ed.gov/ipeds/data).

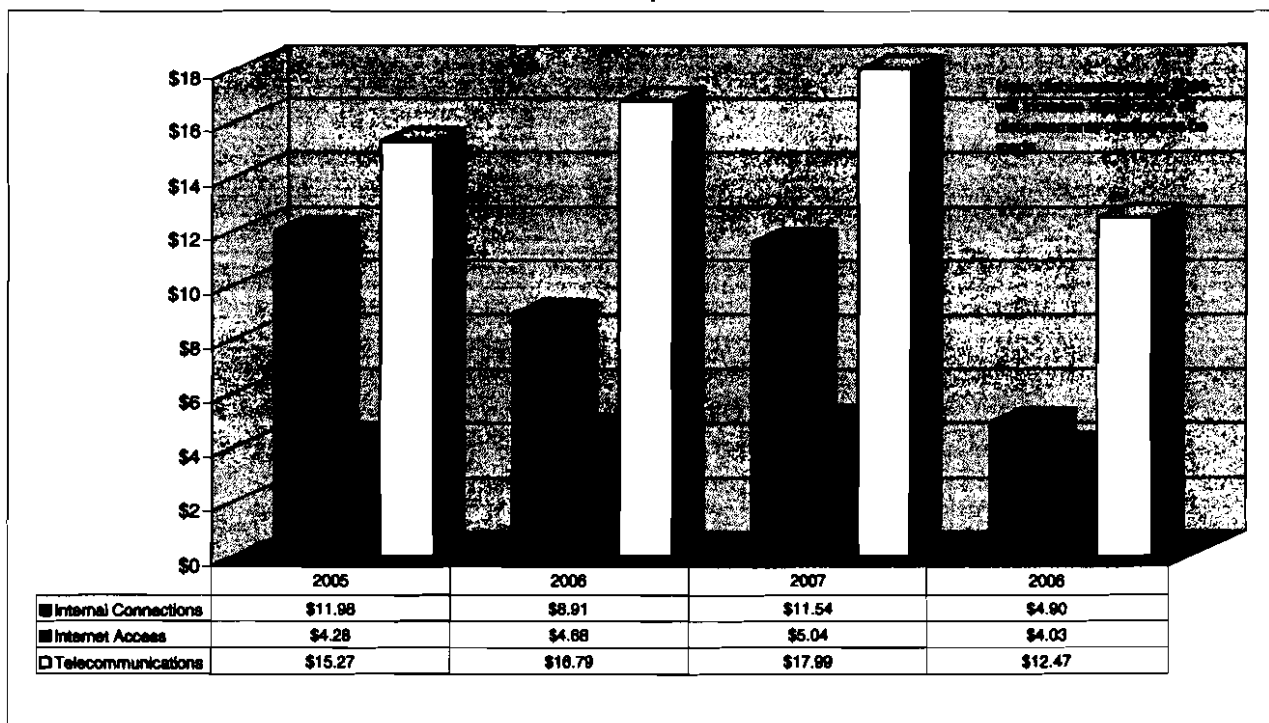
<sup>2</sup> Estimation of the number of students enrolled in the fall of the 2006 - 2007 school year (including territories) was 49.935 million.

Source: U.S. Department of Education at [nces.ed.gov/ipeds/data](http://nces.ed.gov/ipeds/data).

<sup>3</sup> The number of students for the 2006 - 2007 school year was used.

<sup>4</sup> The number of students for the 2007 - 2008 school year was not available at the cutoff date for this report, so the number from the 2006 - 2007 school year was used.

**Chart 4.1**  
**Disbursements per Student**



## 5. Rural Health Care Support

The portion of the 1996 Telecommunications Act that covers universal service support for rural health care providers states that “[a] telecommunications carrier shall ... provide telecommunications services . . . to any public or non-profit health care provider ... at rates that are reasonably comparable to rates charged for similar services in urban areas in that state.”<sup>1</sup> The Commission's universal service rules permit eligible health care providers<sup>2</sup> to receive support for any telecommunications service.<sup>3</sup>

In December 2004, the Commission released a *Second Order*<sup>4</sup> that modified the Commission's rules for rural health care support. In this *Second Order*, the Commission changed its definition of “rural” for the purposes of the rural health care support mechanism.<sup>5</sup> Now a “rural area” is an area that is not located within or near a large population base. Specifically, a “rural area” is an area that (a) is entirely outside of a Core Based Statistical Area (CBSA); (b) is within a CBSA that does not have any urban area with a population of 25,000 or greater; or (c) is in a CBSA that contains an urban area with a population of 25,000 or greater, but is within a specific census tract that itself does not contain any part of a place or urban area with a population of greater than 25,000.<sup>6</sup> This new definition was effective as of Funding Year 2005 (July 1, 2005 – June 30, 2006). Several other rules also were changed. The Commission expanded funding for mobile rural health care providers by subsidizing the difference between the rate for the satellite service and the rate for an urban wireline service with a similar bandwidth.<sup>7</sup> June 30 is now the final deadline for applications for support for health care providers seeking discounts for a specific funding year under the rural

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1 47 U.S.C. § 254(h)(1)(A).

2 47 C.F.R. § 54.601.

3 A 1.544 Mbps (T1) maximum bandwidth cap was employed in Funding Years 1 and 2. *See Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9101-04 (1997), paras. 620-624. The Commission removed the bandwidth cap for year three and beyond. *See Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, Sixth Order on Reconsideration in CC Docket No. 97-21, Fifteenth Order on Reconsideration in CC Docket No. 96-45, 14 FCC Rcd 18756, 18767-72 (1999) (*Fifteenth Order on Reconsideration*).

4 *See Rural Health Care Support Mechanism*, WC Docket No. 02-60, Second Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking, 19 FCC Rcd 24613 (2004) (*Second Order*).

5 *See Second Order* at 24619-20, paras. 11-12.

6 47 C.F.R. § 54.5.

7 *See Second Order* at 24626, para. 28.

health care support mechanism.<sup>8</sup> In addition, a rural health care provider in a state that is entirely rural may now receive support for advanced telecommunications and information services.<sup>9</sup>

To receive funding under the Rural Health Care Program, an eligible rural health care provider seeking funding must first submit FCC Form 465 (description of services requested and certification form) to the Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC).<sup>10</sup> If the RHCD determines that the health care provider is eligible, it posts the Form 465 on its website.<sup>11</sup> Twenty-eight days thereafter, the rural health care provider may contract with the most cost-effective bidder. The health care provider then fills out FCC Form 466 (Funding Request and Certification Form) and/or 466-A (Internet Service Funding Request and Certification Form), and submits it to the RHCD. Upon receipt and approval of FCC Form 466, the RHCD sends a Funding Commitment Letter to the rural health care provider. The letter explains that the request has received preliminary approval, and provides an estimate of the amount of support that can be expected. The rural health care provider must respond by submitting FCC Form 467 (receipt of service confirmation form) to verify that the service has begun. RHCD then sends a Support Schedule to the carrier and the health care provider. The carrier provides service to the rural health care provider, and then invoices the RHCD for the support amount. Upon approval of the invoice, USAC reimburses the carrier.

In September 2006, the FCC established the Rural Health Care Pilot Program to provide funding to stimulate deployment of the broadband infrastructure necessary to support innovative telehealth and telemedicine services to those areas of the country where the need for these benefits is most acute.<sup>12</sup> Specifically, the Pilot Program will provide funding to support the design and construction of state or regional broadband networks dedicated to health care and the advanced services provided over those networks, as well as connecting those networks to Internet2, National LambdaRail, Inc. (both dedicated nationwide backbones), or the public Internet.<sup>13</sup>

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8 *Id.* at 24629, para. 34.

9 *Id.* at 24631, para. 38.

10 The Rural Health Care Corporation merged into USAC and became the Rural Health Care Division on January 1, 1999. *See Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, Third Report and Order in CC Docket No. 97-21 and Fourth Order on Reconsideration in CC Docket No. 97-21 and Eighth Order on Reconsideration in CC Docket No. 96-45, 13 FCC Rcd 25058, 25064-65, para. 12 (1998).

11 The forms may be viewed at [www.rhc.universalservice.org/telecomcarriers/searchpostings/default.asp](http://www.rhc.universalservice.org/telecomcarriers/searchpostings/default.asp).

12 *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, 21 FCC Rcd 11111 (2006) (*Rural Health Care Pilot Program Order*).

13 *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, 22 FCC Rcd 20360 (2007) (*Rural Health Care Pilot Program Selection Order*), para. 2.

On November 19, 2007, the Commission released the *Rural Health Care Pilot Program Selection Order*, which selected 69 applicants covering 42 states and three U.S. territories to participate in the Pilot Program.<sup>14</sup> The *Rural Health Care Pilot Program Selection Order* makes available to these participants approximately \$139 million in rural health care support per funding year for three years, beginning with Funding Year 2007 of the existing Rural Health Care program.<sup>15</sup> The *Rural Health Care Pilot Program Selection Order* further provides instructions to selected participants concerning submission of FCC forms to the RHCD and on Pilot Program administration.<sup>16</sup> For more information on the Pilot Program, visit the Pilot Program website.<sup>17</sup>

By rule, the Commission has established a \$400 million per funding year cap for the rural health care mechanism.<sup>18</sup> For more information on the Universal Service Program for Rural Health Care providers, visit the RHCD website.<sup>19</sup>

USAC supplied the Commission with funding commitments and disbursements information as of June 30, 2009.<sup>20</sup> Table 5.1 summarizes funding disbursements for all funding years by service speed. Tables 5.2 and 5.3 show details for Funding Years 2006 through 2008. Table 5.4 shows details for Funding Years 2006 and 2007. For details on the preceding funding years, see the previous

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14 *Rural Health Care Pilot Program Selection Order*. Due to mergers, there are now 62 projects in the Pilot Program. See <http://www.fcc.gov/cgb/rural/rhcp.html>.

15 See *id.* at para. 33. USAC did not issue a Pilot Program funding commitment for the first funding year (Funding Year 2007 of the existing Rural Health Care program). Unused Pilot Program support, however, is carried over to the next Pilot Program funding year. See Letter from Dana Shaffer, FCC, to Scott Barash, USAC, CC Docket No. 02-60 (Jan. 17, 2008). USAC reported that it rolled forward the Funding Year 2007 demand estimate and commitment cap of \$139.26 million to Funding Year 2008, except for \$0.53 million, which was committed and invoiced for Funding Year 2007. Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Fourth Quarter 2009* at 21.

16 See *id.* at paras. 22 to 123.

17 See *Rural Health Care Pilot Program* at <http://www.fcc.gov/cgb/rural/rhcp.html>.

18 47 C.F.R. § 54.623(a).

19 See *Rural Health Care* at <http://www.universalservice.org/rhc/>.

20 Because of the appeals process, funding commitments and disbursements may be made after the program year ended.



editions of the *Monitoring Report*.<sup>21</sup> Table 5.2 summarizes funding commitments and disbursements on a state-by-state basis.

Funding Year 2006 was July 1, 2006, through June 30, 2007. USAC reports that 5,225 Form 466 and 466-A packets have been completely processed.<sup>22</sup> As of June 30, 2009, over \$46.34 million had been committed, and nearly \$43.53 million had been disbursed.<sup>23</sup> USAC states that Funding Year 2006 demand will be \$45.38 million.<sup>24</sup>

Funding Year 2007 was July 1, 2007, through June 30, 2008. USAC reports that it completely processed 5,919 Form 466 and 466-A packets. Additionally, 484 packets were withdrawn by the applicant and 237 were denied. USAC estimates Funding Year 2007 demand will be approximately \$54.99 million.<sup>25</sup> As of June 30, 2009, over \$55.92 million had been committed, and nearly \$50.16 million had been disbursed.<sup>26</sup>

Funding Year 2008 was July 1, 2008, through June 30, 2009. As of June 30, 2009, more than \$42.56 million had been committed, and more than \$22.65 million had been disbursed.<sup>27</sup> USAC estimates Funding Year 2008 demand will be \$60.95 million.<sup>28</sup>

Table 5.3 shows state-by-state disbursements by service speed for Funding Years 2006 through 2008. In some instances, such as with frame relay service, the service speed was not clearly identifiable. Whenever possible, the most likely speed for each service was assumed. For example, Frame Relay theoretically could be provided at voice grade speeds, but the vast majority of it is

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21 Earlier editions of the *Monitoring Reports* are available at [www.fcc.gov/wcb/iatd/monitor.html](http://www.fcc.gov/wcb/iatd/monitor.html).

22 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Fourth Quarter 2009*, <http://www.universalservice.org/about/governance/fcc-filings/2009/> at 20.

23 See Table 5.2.

24 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Fourth Quarter 2009* at 20.

25 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Fourth Quarter 2009* at 21.

26 See Table 5.2.

27 *Id.*

28 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Fourth Quarter 2009* at 22.

provided at broadband speeds (200K to 1.49Mb), so Frame Relay was assumed to be broadband at that level.

Table 5.4 shows, for Funding Years 2006 and 2007, state-by-state disbursements from the Rural Health Care Support Mechanism, the population of the rural areas, and the disbursements per person in rural areas.

**Table 5.1**  
**Rural Health Care Funding Disbursements by Funding Year**

<b>Funding Year</b>	<b>Voice Grade</b>	<b>Broadband</b>		<b>Other Service or Speed Unknown</b>	<b>Total</b>
	<b>56K to 199K</b>	<b>200K to 1.49Mb</b>	<b>1.5Mb and faster</b>		
1998	\$202,778	\$880,375	\$2,292,252	\$0	\$3,375,405
1999	452,992	1,073,816	2,719,619	58,132	4,304,559
2000	613,595	3,802,601	5,897,976	0	10,314,172
2001	319,539	13,256,841	4,978,963	0	18,555,343
2002	428,506	14,222,035	6,969,587	0	21,620,128
2003	477,657	15,917,701	9,469,267	7,559	25,872,184
2004	611,101	17,511,205	12,733,212	141,133	30,996,651
2005	899,135	23,270,642	14,956,523	520,114	39,646,414
2006	1,006,698	21,707,378	16,746,517	4,066,979	43,527,572
2007	1,231,390	25,740,082	22,590,045	596,518	50,158,034
2008	426,472	11,626,702	10,597,776	0	22,650,950

**Note:** Disbursements through June 30, 2009. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

**Source:** USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.2**  
**Rural Health Care Funding Commitments and Disbursements by State**

**Funding Year 2006: July 1, 2006 through June 30, 2007**

State	Total Funds Committed	Providers Receiving Support	Total Funds Disbursed	Providers Receiving Support
Alabama	\$45,236	52	\$41,951	49
Alaska	25,701,518	231	25,250,712	231
American Samoa	0	0	0	0
Arizona	1,636,053	78	1,323,213	68
Arkansas	196,430	61	143,268	56
California	593,986	90	526,927	83
Colorado	113,145	15	92,441	14
Connecticut	0	0	0	0
Delaware	63	1	63	1
District of Columbia	0	0	0	0
Florida	432,008	31	311,015	19
Georgia	950,589	89	925,289	88
Guam	83,109	2	77,955	2
Hawaii	220,430	19	198,048	18
Idaho	164,258	28	130,776	27
Illinois	630,777	62	585,112	59
Indiana	376,327	37	360,569	36
Iowa	427,728	63	365,296	59
Kansas	556,401	87	550,552	85
Kentucky	187,868	63	174,509	51
Louisiana	69,923	25	57,966	17
Maine	52,398	10	51,057	9
Maryland	0	0	0	0
Massachusetts	57,633	2	58,601	2
Michigan	866,751	74	579,373	66
Minnesota	1,761,088	194	1,621,807	185
Mississippi	87,922	22	86,152	21
Missouri	143,817	20	136,373	19
Montana	541,848	60	515,740	57
Nebraska	1,721,642	89	1,655,242	88
Nevada	56,256	11	55,266	11
New Hampshire	6,765	2	6,510	1
New Jersey	0	0	0	0
New Mexico	372,985	50	320,416	45
New York	74,216	22	48,414	11
North Carolina	176,423	23	172,993	22
North Dakota	761,618	88	502,685	86
Northern Mariana Is.	0	0	0	0
Ohio	112,135	7	108,676	7
Oklahoma	303,394	31	208,806	29
Oregon	84,064	12	72,296	12
Pennsylvania	69,356	7	61,021	7
Puerto Rico	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	47,842	14	40,768	13
South Dakota	1,081,124	76	1,067,826	77
Tennessee	193,532	37	193,196	35
Texas	297,827	47	18,825	6
Utah	756,866	37	684,607	35
Vermont	131,685	20	123,658	20
Virgin Islands	48,878	11	48,878	11
Virginia	773,090	125	743,486	122
Washington	67,313	32	57,797	29
West Virginia	109,141	20	96,524	19
Wisconsin	3,005,360	238	2,885,469	233
Wyoming	191,649	12	191,649	12
<b>Totals</b>	<b>\$46,340,267</b>	<b>2,409</b>	<b>\$43,527,572</b>	<b>2,233</b>

Note: Disbursements through June 30, 2009. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.2**  
**Rural Health Care Funding Commitments and Disbursements by State**

**Funding Year 2007: July 1, 2007 through June 30, 2008**

State	Total Funds Committed	Providers Receiving Commitments	Total Funds Disbursed	Providers Receiving Support
Alabama	\$169,200	60	\$151,248	57
Alaska	29,608,303	235	28,772,216	232
American Samoa	116,650	1	108,400	1
Arizona	1,743,822	81	1,211,070	55
Arkansas	370,081	59	184,300	45
California	793,113	109	500,567	53
Colorado	119,758	19	91,139	14
Connecticut	0	0	0	0
Delaware	413	2	413	2
District of Columbia	0	0	0	0
Florida	487,546	33	400,933	20
Georgia	1,402,319	73	1,364,205	70
Guam	54,179	2	6,860	1
Hawaii	192,524	20	183,884	19
Idaho	245,511	40	227,804	34
Illinois	874,489	77	684,471	67
Indiana	630,677	52	498,271	41
Iowa	534,195	69	460,226	66
Kansas	225,193	39	201,314	29
Kentucky	521,298	79	510,098	76
Louisiana	68,995	24	48,193	11
Maine	51,128	7	39,314	2
Maryland	0	0	0	0
Massachusetts	128,955	3	128,530	2
Michigan	1,282,522	108	803,500	81
Minnesota	2,282,787	190	2,093,296	174
Mississippi	166,638	28	151,279	23
Missouri	358,423	53	327,428	44
Montana	696,706	67	609,686	63
Nebraska	1,581,960	95	1,469,575	91
Nevada	71,135	13	6,784	2
New Hampshire	0	0	0	0
New Jersey	0	0	0	0
New Mexico	494,634	54	302,944	36
New York	75,081	20	38,614	11
North Carolina	236,228	41	200,974	26
North Dakota	687,102	97	457,375	84
Northern Mariana Is.	0	0	0	0
Ohio	293,630	21	213,978	16
Oklahoma	470,851	45	251,258	19
Oregon	202,682	19	167,100	8
Pennsylvania	132,086	16	97,100	13
Puerto Rico	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	47,633	15	29,819	9
South Dakota	1,188,929	89	1,107,370	75
Tennessee	395,552	35	359,271	35
Texas	275,151	42	246,713	36
Utah	540,804	48	413,713	41
Vermont	146,417	23	137,770	18
Virgin Islands	56,804	12	51,318	12
Virginia	957,847	148	580,040	68
Washington	79,233	34	39,999	13
West Virginia	208,092	26	184,496	25
Wisconsin	4,440,644	259	3,917,585	243
Wyoming	212,408	11	125,596	7
<b>Totals</b>	<b>\$55,920,328</b>	<b>2,693</b>	<b>\$50,158,034</b>	<b>2,172</b>

Note: Disbursements through June 30, 2009. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.2**  
**Rural Health Care Funding Commitments and Disbursements by State**

**Funding Year 2008: July 1, 2008 through June 30, 2009**

State	Total Funds Committed	Providers Receiving Support	Total Funds Disbursed	Providers Receiving Support
Alabama	\$247,093	61	\$94,003	7
Alaska	21,123,773	196	12,713,417	148
American Samoa	141,191	1	141,191	1
Arizona	564,688	43	254,605	18
Arkansas	117,202	18	47,658	7
California	728,778	95	240,106	20
Colorado	197,348	20	113,041	9
Connecticut	0	0	0	0
Delaware	350	2	0	0
District of Columbia	0	0	0	0
Florida	354,243	21	196,277	14
Georgia	1,465,613	83	863,169	42
Guam	1,084	1	0	0
Hawaii	112,630	15	55,288	10
Idaho	208,806	29	52,677	8
Illinois	820,179	55	567,340	25
Indiana	671,396	56	152,453	15
Iowa	530,306	67	287,491	37
Kansas	247,160	49	176,315	16
Kentucky	369,671	72	190,991	31
Louisiana	53,482	19	8,892	3
Maine	20,195	6	0	0
Maryland	0	0	0	0
Massachusetts	149,419	2	28,304	1
Michigan	771,906	70	194,773	24
Minnesota	2,136,315	179	1,054,836	99
Mississippi	118,816	21	59,709	8
Missouri	470,152	62	43,503	7
Montana	766,760	73	364,244	39
Nebraska	1,221,686	104	947,133	65
Nevada	49,027	13	0	0
New Hampshire	5,658	2	1,839	1
New Jersey	0	0	0	0
New Mexico	474,255	48	44,795	11
New York	42,967	12	15,003	5
North Carolina	291,428	48	79,313	16
North Dakota	1,060,412	101	554,219	49
Northern Mariana Is.	0	0	0	0
Ohio	334,783	35	160,161	19
Oklahoma	533,067	45	66,753	2
Oregon	271,512	17	192,076	5
Pennsylvania	67,676	12	10,536	3
Puerto Rico	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	6,842	4	4,982	1
South Dakota	1,344,870	84	1,075,450	58
Tennessee	176,544	20	127,883	8
Texas	823,736	59	456,732	20
Utah	422,237	25	3,560	3
Vermont	108,355	22	32,680	10
Virgin Islands	46,404	10	46,404	10
Virginia	760,274	144	295,769	32
Washington	52,215	31	18,680	5
West Virginia	172,320	18	115,638	14
Wisconsin	1,821,742	177	458,446	57
Wyoming	83,292	13	42,615	6
<b>Totals</b>	<b>\$42,559,858</b>	<b>2,358</b>	<b>\$22,650,950</b>	<b>987</b>

Note: Disbursements through June 30, 2009. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.3**  
**Disbursements by Service Speeds Acquired by Rural Health Care Providers**  
**Funding Year 2006: July 1, 2006 through June 30, 2007**

State	Voice Grade	Broadband		Other Service or Speed Unknown	Total
	56K to 199K	200K to 1.49Mb	1.5Mb and faster		
Alabama	\$204	\$41,045	\$703	\$0	\$41,951
Alaska	0	19,039,312	3,814,666	2,396,734	25,250,712
American Samoa	0	0	0	0	0
Arizona	0	60,256	1,154,658	108,299	1,323,213
Arkansas	2,124	80,586	60,558	0	143,268
California	92,558	65,883	297,150	71,336	528,927
Colorado	14,296	12,318	65,827	0	92,441
Connecticut	0	0	0	0	0
Delaware	0	63	0	0	63
District of Columbia	0	0	0	0	0
Florida	0	27,707	283,309	0	311,015
Georgia	19,524	135,065	704,694	66,005	925,289
Guam	0	74,339	3,616	0	77,955
Hawaii	0	7,190	190,858	0	198,048
Idaho	0	29,094	101,247	435	130,776
Illinois	1,320	23,480	505,350	54,961	585,112
Indiana	23,806	24,322	295,936	16,505	360,569
Iowa	78,885	41,078	203,486	43,848	365,296
Kansas	6,120	358,062	186,370	0	550,552
Kentucky	18,599	59,538	96,372	0	174,509
Louisiana	0	27,966	30,000	0	57,966
Maine	21,418	13,566	0	16,073	51,057
Maryland	0	0	0	0	0
Massachusetts	0	2,063	54,538	0	56,601
Michigan	11,182	55,908	494,451	17,832	579,373
Minnesota	4,544	101,372	1,360,268	155,623	1,821,807
Mississippi	8,139	21,413	53,576	3,023	86,152
Missouri	4,704	43,016	88,652	0	136,373
Montana	0	36,767	436,247	42,727	515,740
Nebraska	0	58,625	1,595,221	1,395	1,655,242
Nevada	0	2,091	27,592	25,582	55,268
New Hampshire	0	6,510	0	0	6,510
New Jersey	0	0	0	0	0
New Mexico	0	207,395	113,021	0	320,416
New York	0	5,845	37,807	4,962	48,414
North Carolina	2,628	23,450	146,915	0	172,993
North Dakota	20,521	246,435	218,788	16,941	502,685
Northern Mariana Is.	0	0	0	0	0
Ohio	157	75	78,998	29,446	108,676
Oklahoma	0	142,114	2,655	64,038	208,806
Oregon	0	12,668	20,569	39,059	72,296
Pennsylvania	8,845	29,293	22,883	0	61,021
Puerto Rico	0	0	0	0	0
Rhode Island	0	0	0	0	0
South Carolina	0	21,232	6,454	13,082	40,768
South Dakota	1,659	4,853	939,882	121,432	1,067,826
Tennessee	0	1,375	191,821	0	193,196
Texas	0	8,060	10,765	0	18,825
Utah	0	123,168	550,843	10,597	684,607
Vermont	0	27,206	78,588	17,884	123,658
Virgin Islands	0	48,676	0	0	48,676
Virginia	0	34,045	633,679	75,762	743,486
Washington	0	11,209	33,285	13,302	57,797
West Virginia	14,262	32,938	49,324	0	96,524
Wisconsin	653,202	274,624	1,321,634	636,009	2,885,469
Wyoming	0	4,077	183,466	4,106	191,649
<b>Totals</b>	<b>\$1,006,698</b>	<b>\$21,707,378</b>	<b>\$16,746,517</b>	<b>\$4,066,979</b>	<b>\$43,527,572</b>

Note: Disbursements through June 30, 2009. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.3**  
**Disbursements by Service Speeds Acquired by Rural Health Care Providers**  
**Funding Year 2007: July 1, 2007 through June 30, 2008**

State	Voice Grade	Broadband		Other Service or Speed Unknown	Total
	56K to 199K	200K to 1.49Mb	1.5Mb and faster		
Alabama	\$23,283	\$89,678	\$38,287	\$0	\$151,248
Alaska	0	21,717,566	7,054,650	0	28,772,216
American Samoa	0	108,400	0	0	108,400
Arizona	1,723	52,126	1,157,221	0	1,211,070
Arkansas	0	84,876	99,424	0	184,300
California	5,350	66,620	409,198	19,200	500,567
Colorado	2,919	2,365	85,654	0	91,139
Connecticut	0	0	0	0	0
Delaware	0	413	0	0	413
District of Columbia	0	0	0	0	0
Florida	0	17,680	383,254	0	400,933
Georgia	103,770	103,194	913,966	243,275	1,364,205
Guam	0	0	6,860	0	6,860
Hawaii	0	6,208	177,678	0	183,884
Idaho	0	34,994	192,809	0	227,804
Illinois	10,468	92,698	581,305	0	684,471
Indiana	17,860	85,533	394,878	0	498,271
Iowa	81,580	43,411	335,235	0	460,226
Kansas	6,120	40,983	154,211	0	201,314
Kentucky	32,150	205,258	272,690	0	510,098
Louisiana	0	16,867	31,326	0	48,193
Maine	361	36,849	2,103	0	39,314
Maryland	0	0	0	0	0
Massachusetts	0	2,953	125,577	0	128,530
Michigan	14,051	63,111	726,338	0	803,500
Minnesota	3,618	207,643	1,856,593	25,444	2,093,298
Mississippi	23,847	22,323	105,109	0	151,279
Missouri	2,300	37,511	287,616	0	327,428
Montana	0	41,073	560,785	7,828	609,686
Nebraska	0	37,966	1,431,809	0	1,469,575
Nevada	0	0	6,784	0	6,784
New Hampshire	0	0	0	0	0
New Jersey	0	0	0	0	0
New Mexico	0	209,478	93,468	0	302,944
New York	144	6,283	32,167	0	38,614
North Carolina	8,190	25,158	167,627	0	200,974
North Dakota	8,130	233,223	216,021	0	457,375
Northern Mariana Is.	0	0	0	0	0
Ohio	14,572	69,194	35,631	74,380	213,978
Oklahoma	0	248,758	2,500	0	251,258
Oregon	0	61,293	59,367	46,440	167,100
Pennsylvania	7,821	13,843	75,435	0	97,100
Puerto Rico	0	0	0	0	0
Rhode Island	0	0	0	0	0
South Carolina	0	27,960	1,859	0	29,819
South Dakota	1,920	60,083	1,045,367	0	1,107,370
Tennessee	0	13,050	346,220	0	359,271
Texas	37,017	123,299	71,578	14,819	246,713
Utah	311	19,011	394,391	0	413,713
Vermont	0	25,720	89,679	42,371	137,770
Virgin Islands	0	51,316	0	0	51,316
Virginia	0	90,760	366,521	122,760	580,040
Washington	0	7,903	32,096	0	39,999
West Virginia	20,815	68,676	95,005	0	184,496
Wisconsin	803,071	1,148,112	1,966,402	0	3,917,585
Wyoming	0	464	125,133	0	125,596
<b>Totals</b>	<b>\$1,231,390</b>	<b>\$25,740,082</b>	<b>\$22,590,045</b>	<b>\$596,518</b>	<b>\$50,158,034</b>

Note: Disbursements through June 30, 2009. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.



**Table 5.3**  
**Disbursements by Service Speeds Acquired by Rural Health Care Providers**  
**Funding Year 2008: July 1, 2008 through June 30, 2009**

State	Voice Grade	Broadband		Other Service or Speed Unknown	Total
	56K to 199K	200K to 1.49Mb	1.5Mb and faster		
Alabama	\$20,498	\$4,327	\$89,178	\$0	\$94,003
Alaska	0	9,508,454	3,204,963	0	12,713,417
American Samoa	0	141,191	0	0	141,191
Arizona	0	1,151	253,453	0	254,605
Arkansas	0	2,804	44,853	0	47,658
California	0	11,858	228,248	0	240,106
Colorado	0	3,958	109,065	0	113,041
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
District of Columbia	0	0	0	0	0
Florida	0	17,998	176,279	0	196,277
Georgia	86,577	314,878	461,713	0	863,169
Guam	0	0	0	0	0
Hawaii	0	0	55,288	0	55,288
Idaho	0	5,162	47,516	0	52,677
Illinois	16,261	24,384	526,714	0	567,340
Indiana	8,429	23,602	120,422	0	152,453
Iowa	69,755	13,644	204,092	0	287,491
Kansas	7,541	22,166	148,609	0	176,315
Kentucky	20,547	21,031	149,413	0	190,991
Louisiana	0	4,725	4,187	0	8,892
Maine	0	0	0	0	0
Maryland	0	0	0	0	0
Massachusetts	0	0	28,304	0	28,304
Michigan	11,460	50,302	133,012	0	194,773
Minnesota	3,336	22,798	1,028,704	0	1,054,838
Mississippi	5,158	11,371	43,181	0	59,709
Missouri	13,381	26,183	3,939	0	43,503
Montana	0	53,993	310,252	0	364,244
Nebraska	0	22,142	924,990	0	947,133
Nevada	0	0	0	0	0
New Hampshire	0	1,839	0	0	1,839
New Jersey	0	0	0	0	0
New Mexico	0	42,589	2,206	0	44,795
New York	0	5,421	9,582	0	15,003
North Carolina	447	29,696	49,170	0	79,313
North Dakota	0	154,105	400,114	0	554,219
Northern Mariana Is.	0	0	0	0	0
Ohio	11,539	113,772	34,851	0	160,161
Oklahoma	0	0	66,753	0	66,753
Oregon	0	144,474	47,602	0	192,076
Pennsylvania	0	3,600	6,936	0	10,536
Puerto Rico	0	0	0	0	0
Rhode Island	0	0	0	0	0
South Carolina	0	394	4,588	0	4,982
South Dakota	0	38,940	1,036,510	0	1,075,450
Tennessee	0	5,636	122,247	0	127,883
Texas	18,249	401,062	37,421	0	456,732
Utah	0	3,560	0	0	3,560
Vermont	0	32,680	0	0	32,680
Virgin Islands	0	48,404	0	0	48,404
Virginia	0	142,815	152,954	0	295,769
Washington	0	288	18,392	0	18,680
West Virginia	17,289	57,248	41,101	0	115,638
Wisconsin	116,006	92,856	249,584	0	458,446
Wyoming	0	1,224	41,391	0	42,615
<b>Totals</b>	<b>\$426,472</b>	<b>\$11,626,702</b>	<b>\$10,597,776</b>	<b>\$0</b>	<b>\$22,650,950</b>

Note: Disbursements through June 30, 2009. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.4**  
**Disbursements per Person for Rural Health Care Support Mechanism, by State**  
**Values in Thousands, Except Disbursements per Person in Rural Areas**

**Funding Year 2006: July 1, 2006 through June 30, 2007**

State or Jurisdiction	USAC Disbursements on Behalf of Rural Health Care Providers	Population in Rural Areas <sup>1</sup>	Disbursements Per Person in Rural Areas
Alabama	\$42	1,407	\$0.03
Alaska	25,251	367	68.87
American Samoa	0	57	0.00
Arizona	1,323	954	1.38
Arkansas	143	1,435	0.10
California	527	2,521	0.21
Colorado	92	777	0.12
Connecticut	0	334	0.00
Delaware	0	157	0.00
District of Columbia	0	0	NA
Florida	311	1,427	0.22
Georgia	925	2,520	0.37
Guam	78	155	0.50
Hawaii	198	335	0.58
Idaho	131	862	0.15
Illinois	585	1,878	0.31
Indiana	361	1,891	0.21
Iowa	365	1,600	0.23
Kansas	551	1,193	0.46
Kentucky	175	2,069	0.08
Louisiana	58	1,111	0.05
Maine	51	854	0.06
Maryland	0	385	0.00
Massachusetts	57	335	0.17
Michigan	579	1,769	0.33
Minnesota	1,622	1,584	1.02
Mississippi	86	1,821	0.05
Missouri	136	1,799	0.08
Montana	516	705	0.73
Nebraska	1,655	611	2.04
Nevada	55	305	0.18
New Hampshire	7	380	0.02
New Jersey	0	0	NA
New Mexico	320	856	0.37
New York	46	1,537	0.03
North Carolina	173	2,612	0.07
North Dakota	503	367	1.37
Northern Mariana Islands	0	69	0.00
Ohio	109	2,139	0.05
Oklahoma	209	1,378	0.15
Oregon	72	977	0.07
Pennsylvania	61	1,893	0.03
Puerto Rico	0	3,859	0.00
Rhode Island	0	55	0.00
South Carolina	41	1,205	0.03
South Dakota	1,068	503	2.12
Tennessee	193	1,827	0.11
Texas	19	3,280	0.01
Utah	685	531	1.29
Vermont	124	448	0.28
Virgin Islands	49	109	0.45
Virginia	743	1,503	0.49
Washington	58	1,136	0.05
West Virginia	97	1,043	0.09
Wisconsin	2,885	1,757	1.64
Wyoming	192	354	0.54
<b>Totals</b>	<b>\$43,528</b>	<b>58,285</b>	<b>\$0.75</b>

Note: Disbursements through June 30, 2009. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

<sup>1</sup> Population in entirely rural counties as of April 1, 2000 from the Census Bureau. Some commitments were allowed in non-rural counties in areas affected by the Goldsmith Modification. See 47 C.F.R. § 54.5. For those counties, the 2000 rural population has been estimated. Total population includes only those areas with RHC disbursements.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.4**  
**Disbursements per Person for Rural Health Care Support Mechanism, by State**  
**Values in Thousands, Except Disbursements per Person in Rural Areas**

**Funding Year 2007: July 1, 2007 through June 30, 2008**

State or Jurisdiction	USAC Disbursements on Behalf of Rural Health Care Providers	Population in Rural Areas <sup>1</sup>	Disbursements Per Person in Rural Areas
Alabama	\$151	1,407	\$0.11
Alaska	28,772	367	78.47
American Samoa	108	57	1.90
Arizona	1,211	954	1.27
Arkansas	184	1,435	0.13
California	501	2,521	0.20
Colorado	91	777	0.12
Connecticut	0	334	0.00
Delaware	0	157	0.00
District of Columbia	0	0	NA
Florida	401	1,427	0.28
Georgia	1,364	2,520	0.54
Guam	7	155	0.04
Hawaii	184	335	0.55
Idaho	228	862	0.26
Illinois	684	1,878	0.36
Indiana	498	1,891	0.29
Iowa	460	1,600	0.29
Kansas	201	1,193	0.17
Kentucky	510	2,069	0.25
Louisiana	48	1,111	0.04
Maine	39	854	0.05
Maryland	0	385	0.00
Massachusetts	129	335	0.38
Michigan	803	1,789	0.45
Minnesota	2,093	1,594	1.31
Mississippi	151	1,821	0.08
Missouri	327	1,799	0.18
Montana	610	705	0.87
Nebraska	1,470	811	1.81
Nevada	7	305	0.02
New Hampshire	0	380	0.00
New Jersey	0	0	NA
New Mexico	303	856	0.35
New York	39	1,537	0.03
North Carolina	201	2,612	0.08
North Dakota	457	367	1.24
Northern Mariana Islands	0	69	0.00
Ohio	214	2,139	0.10
Oklahoma	251	1,378	0.18
Oregon	167	977	0.17
Pennsylvania	97	1,893	0.05
Puerto Rico	0	3,859	0.00
Rhode Island	0	55	0.00
South Carolina	30	1,205	0.02
South Dakota	1,107	503	2.20
Tennessee	359	1,827	0.20
Texas	247	3,280	0.08
Utah	414	531	0.78
Vermont	138	448	0.31
Virgin Islands	51	109	0.47
Virginia	580	1,503	0.39
Washington	40	1,136	0.04
West Virginia	184	1,043	0.18
Wisconsin	3,918	1,757	2.23
Wyoming	126	354	0.35
<b>Totals</b>	<b>\$50,158</b>	<b>57,962</b>	<b>\$0.87</b>

Note: Disbursements through June 30, 2009. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

<sup>1</sup> Population in entirely rural counties as of April 1, 2000 from the Census Bureau. Some commitments were allowed in non-rural counties in areas affected by the Goldsmith Modification. See 47 C.F.R. § 54.5. For those counties, the 2000 rural population has been estimated. Total population includes only those areas with RHC disbursements.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

## 6. Subscribership and Penetration

The number and percentage of households that have telephone service represent the most fundamental measures of the extent of universal service. Continuing analysis of telephone penetration statistics allows us to examine the aggregate effects of Commission actions on households' decisions to maintain, acquire or drop telephone service. This section presents comprehensive data on telephone penetration statistics from the Current Population Survey (CPS) collected three times a year by the Bureau of the Census under contract with the Federal Communications Commission.<sup>1</sup> Along with telephone penetration statistics for the United States and each of the states from November 1983 to March 2009, data are provided on penetration based on various demographic characteristics. This section also presents historical data from the decennial census and annual data from the American Community Survey (ACS) collected by the Bureau of the Census. This section also updates information on telephone penetration by income by state.<sup>2</sup> This information is designed to help evaluate the degree of success of making telephone service available to low-income households in each state.

The most widely used measure of telephone subscribership is the percentage of households with telephone service, sometimes called a measure of telephone penetration. Prior to 1980, precise measurements of telephone subscribership received little attention. Historical estimates of telephone penetration were based on a comparison of the number of residential main stations to the number of households or housing units. Measures of penetration based on the number of residential lines, however, became subject to a large margin of error as more and more households added second telephone lines and more consumers acquired second homes. By 1980, the traditional measure of penetration (residential lines divided by the number of households) reached 96%, while the proportion of households reporting that they had telephones in the 1980 census was 92.9%.

Recognizing the need for more precise periodic measurements of subscribership, the Commission requested that the Census Bureau include questions on telephone availability as part of its CPS, which monitors demographic trends between the decennial censuses. This survey is a staggered panel survey in which the people residing at particular addresses are included in the survey for four consecutive months in one year and the same four months in the following year. Use of the CPS has several advantages: it is conducted every month by an independent and expert agency; the sample is large; and the questions are consistent. Thus, changes in the results can be compared over time with a reasonable degree of confidence.

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1 This information was included in Industry Analysis and Technology Division, Wireline Competition Bureau, Federal Communications Commission, *Telephone Subscribership in the United States* (August 13, 2009). That report is updated three times a year.

2 This information was included in Industry Analysis and Technology Division, Wireline Competition Bureau, Federal Communications Commission, *Telephone Penetration by Income by State* (August 6, 2009). That report contains information on the number of households in each state as well as the percentages reported here.

In the 1980 decennial census, the question "Do you have a telephone?" was added to the long-form questionnaire. The same question was used in 1990. With the telephone companies no longer owning the telephone instruments beginning in 1984, it is possible for someone to have a telephone but not have service. Therefore, the question was changed in 2000 to avoid the possible bias from having a phone but no service. In the 2000 decennial census, the question was changed to "Is there telephone service available in this [housing unit] from which you can both make and receive calls?" The question also allows for the possibility of the substitution of wireless service for wireline service. Beginning in 2001 the Census Bureau introduced the ACS, which was designed to replace the long form of the decennial census. Unfortunately, the results of the CPS cannot be directly compared with the penetration figures contained in the 1980, 1990, and 2000 decennial censuses or the ACS. This is due to differences in sampling techniques and survey methodologies, and because of differences in the context in which the questions were asked. Also, the CPS uses households as the basis of measurement, while the decennial census and the ACS use occupied housing units instead. For example, the 2000 decennial census reported 97.6% of all occupied housing units in the United States had telephone service available, whereas the CPS data showed a penetration rate of 94.6% of households for March 2000. This difference is statistically significant and appears to indicate that the CPS value may be on the low side and the decennial census value may be on the high side, with the most probable value lying somewhere in between.

The decennial census data have the advantage of using much larger samples than the CPS because they are based on a sample of one-in-six households that filled out the Census Bureau's long form. This makes it possible to look at long-run trends for small minority groups. For example, statistics from the 2000 census estimated that 67.9% of all American Indian households living on federally recognized reservations and trust lands had telephone service, as compared with 46.6% estimated from the 1990 census.<sup>3</sup>

The specific questions asked in the CPS are: "Does this house, apartment, or mobile home have telephone service from which you can both make and receive calls? Please include cell phones, regular phones, and any other type of telephone."<sup>4</sup> And, if the answer to the first question

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3 For more information, see the report Industry Analysis and Technology Division, Wireline Competition Bureau, Federal Communications Commission, *Telephone Subscribership on American Indian Reservations and Off-Reservation Trust Lands* (May 5, 2003).

4 The questions are intended to be neutral as to whether the household has wireline or wireless phones. Through November 2004, this question had been worded: "Is there a telephone in this house/apartment?" Because of the increasing number of households that have wireless only, there was some concern that some of these households may not think of their cell phones when asked if they have a telephone. Consequently, beginning in December 2004, CPS changed its telephone question to the wording given above. It is possible that some of the drop in the penetration rate between November 2004 and March 2005 is for households who had a phone, but did not have service.

is "no," this is followed up with, "Is there a telephone elsewhere on which people in this household can be called?" If the answer to the first question is "yes," the household is counted as having a telephone "in unit." If the answer to either the first or second question is "yes," the household is counted as having a telephone "available." The "in unit" data and the "available" data are reported in Tables 6.9 through 6.13 and 6.15 through 6.19, and Charts 6.1 and 6.8. All of the remaining tables and charts of this section just report the "in unit" data.

Although the survey is conducted every month, not all questions are asked every month. The telephone questions are asked once every four months: in the month that a household is first included in the sample and in the month that the household reenters the sample a year later. Since the sample is staggered, the reported information for any given month actually reflects responses over the preceding four months. Aggregated summaries of the responses are reported to the Commission, based on the surveys conducted through March, July, and November of each year. The CPS later provides the Commission with the raw data files containing all of the responses to all of the questions on the CPS questionnaires in those months.<sup>5</sup>

The CPS data are based on a nationwide sample of about 50 to 60 thousand households in the 50 states and the District of Columbia. (The CPS does not cover outlying areas that are not states, such as Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands.) Because a sample is used, the estimates are subject to sampling error. For the nationwide totals, changes in telephone penetration between consecutive reports of less than or equal to 0.7% may be due to sampling error and cannot be regarded as statistically significant.<sup>6</sup> As explained below, when comparing the same month in two consecutive years, changes of less than 0.6% are not statistically significant. When comparing annual averages, changes of less than or equal to 0.4% are not statistically significant. The annual averages are the average of the three surveys of the year in question. For individual states or other subgroups of the U.S. population, the amount of sampling variability is much greater, because the sample sizes are smaller. This will require larger changes to yield statistical significance at the same confidence level.

The data in this section are not seasonally adjusted. Because there is a fifty percent overlap in the sample with the sample for the same month in the previous year, there is a high correlation between values a year apart. However, after accounting for this, there has been no significant systematic seasonal variation.

Once a year, in March, the CPS supplements its survey with additional questions, which include detailed information about income, and augments its sample with about 2,500 additional Hispanic households. Starting in 2001, the sample was further augmented with about 20,000

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5 Tables 6.3 through 6.5, 6.11, and 6.17 of this section are derived from these raw data files.

6 The determination of the statistical significance of a change over time is discussed below. The critical value is dependent on the sizes of the samples from which the change is computed and by the confidence level, which is 95% here.

additional households with children.<sup>7</sup> The more detailed information from the March surveys makes it possible to adjust the income categories for inflation, and therefore make the purchasing power within each category stable over time. In the July and November surveys, only broad income categories are reported. (These are the categories that appear in Table 6.10.)

The Commission's Lifeline support mechanism was instituted in 1984 to help low-income households afford the monthly cost of telephone service. Under the federal Lifeline support mechanism, telephone companies offer reduced rates to qualifying households and receive reimbursement from the federal universal service support mechanisms. Initially, Lifeline was available only in those states that chose to participate by providing matching assistance.

Effective in 1998, the federal Lifeline support mechanism was revised so that a basic level of assistance would be provided in all states.<sup>8</sup> Additional federal support is also provided wherever a state chooses to provide matching assistance, at a rate of \$1 in federal support for each \$2 of state matching support, up to a maximum of \$1.75 federal support (corresponding to \$3.50 of state matching support). States may provide further support without further matching federal assistance.<sup>9</sup>

### **Results and Statistical Analysis**

Census Bureau figures for March 2009 show that the percentage of households subscribing to telephone service is 95.6%. This is an increase of 0.4% from the 95.2% of March 2008. The average penetration rate for the year 2008 was 95.2%, which is an increase of 0.4% from the 2007 average of 94.8%.

This section includes figures showing subscribership percentages by state, by the head of the household's age and race<sup>10</sup>, by household size, by income, and for adult individuals by labor

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7 The responses from the additional Hispanic households and households with children are not included in Tables 6.1, 6.3, and 6.7 through 6.11. Thus, in some cases, there may be small discrepancies between the percentages in those tables and the percentages in Tables 6.4 through 6.6 and 6.12.

8 The basic federal Lifeline support level is the subscriber line charge plus \$1.75 per line per month. Eligible subscribers living on tribal lands may receive up to \$25 additional Lifeline support as long as they pay at least \$1 a month for local phone service, after the discount.

9 A few states provide state Lifeline support that generally exceeds \$3.50. In addition, in other states the amount of state support is whatever is required to bring the local service cost to a certain price level, which could mean support in excess of \$3.50 for customers of companies with high local rates.

10 The racial categories reported in the CPS are white, black, and other. The "other"

force status. The March 2009 data show that 96.2% of adult individuals in the civilian non-institutionalized population have a telephone in their household. This is an increase of 0.3% from the 95.9% of March 2008. The average penetration rate for 2008 was 95.8% for adult individuals, which is an increase of 0.3% from the 2007 average of 95.5%.

This section contains twenty tables and nine charts presenting penetration statistics for various geographic and demographic characteristics. The charts and the first eight tables present summaries of the available information. Tables 6.9 through 6.14 present more detailed information. In Tables 6.9 through 6.13, only the annual averages are included for the years 1984 through 2006. March, July, and November data for those years are available in previous Monitoring Reports in CC Docket Nos. 87-339 or 98-202. Tables 6.15 through 6.20 provide information necessary to determine the statistical significance of changes in the penetration rates over time.

Table 6.1 summarizes the CPS telephone penetration data for the United States, combining information on the number of households with the penetration rates.

Chart 6.1 graphically depicts the nationwide penetration rates for households over time using annual average CPS data.

Table 6.2 shows the historical estimates for the United States based on AT&T data through 1970, the decennial censuses for 1980 through 2000, and the ACS for 2001 through 2008. It also shows per capita wire lines and wireless subscribers.

Further information from the ACS is shown in Tables 6.3 and 6.4. Table 6.3 shows characteristics including housing unit tenure, age of the householder, and race and ethnicity of the householder and Table 6.4 shows state data. Data for Puerto Rico were included for the first time in 2005. The Puerto Rico data are not included in the U.S. national totals.

Table 6.5 summarizes the CPS telephone penetration rates by state, showing the average rates for 1984 and 2008, the change between those two years, and an indication as to whether the change is statistically significant. The statistical significance of a change is determined not only by the magnitude of that change, but also by the sizes of the samples used to estimate the change.

Chart 6.2 depicts the states with average 2008 penetration rates (as shown in Table 6.5) more than 1% below the national average, within 1% of the national average, or more than 1% above the national average.

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category (which includes Asians, Native Americans, and anyone else who does not consider himself or herself to fall into the “white” or “black” categories) is not included in the tables and charts in this report because the sample size is too small. The ethnic category Hispanic, however, is included in the tables and charts. Hispanics can be of any race for purposes of the categories reported in the CPS.



Chart 6.3 depicts changes in household penetration rates by state (as shown in Table 6.5) between the average 1984 and 2008 rates. States with statistically significant increases or decreases are shown, along with other states with increases or decreases.

Chart 6.4 depicts the relationship between telephone penetration and household income, using average 2008 penetration rates for all households and for households headed by white, black, and Hispanic persons.<sup>11</sup> It is based on data in Table 6.10.

Chart 6.5 depicts the relationship between telephone penetration and household size, using average 2008 penetration rates for all households and for households headed by white, black, and Hispanic persons. It is based on data in Table 6.11.

Chart 6.6 depicts the relationship between telephone penetration and the head of the household's age, using average 2008 penetration rates for all households and for households headed by white, black, and Hispanic persons. It is based on data in Table 6.12.

Chart 6.7 depicts the relationship between telephone penetration and labor force status for civilian non-institutionalized adults, using average 2008 penetration rates for all adults and for white, black, and Hispanic adults. It is based on data in Table 6.13.

Chart 6.8 graphically depicts the nationwide penetration rates for civilian non-institutionalized adults over time using annual average data. It is also based on data in Table 6.13.

Chart 6.9 shows the telephone penetration rates in March of each year through 2008 for each of five income categories, adjusted for inflation, for the entire United States. It is based on data in Table 6.14. The income categories (expressed in March 1984 dollars) are: \$9,999 or less; \$10,000 - \$19,999; \$20,000 - \$29,999; \$30,000 - \$39,999; and \$40,000 or more. These categories were chosen because they are of approximately equal size, both in terms of income ranges and the number of households in each category. The upper limit of the lowest category is also approximately equal to the federal poverty line for a family of four. Between 1984 and 2008, there was a statistically significant increase in the penetration rate for all households. There also were statistically significant increases in penetration rates in the two lowest income categories over this time period.<sup>12</sup> For the middle income category the penetration rate was a small but not statistically significant increase between 1984 and 2008. For the two highest income categories there were decreases in the penetration rate that were not statistically significant between 1984 and 2008. Not all of the increases in the national total penetration rate can be explained by increases in real

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11 The CPS includes three racial categories: white, black, and other. Others, which include Native Americans, Asians, and Pacific Islanders, are not reported separately because of small sample sizes, but they are included in the totals. Hispanics are reported as an ethnic group, and can be of any race.

12 See footnote 20 for the critical values for these significance tests.